



Sean Rogan
Executive Director

**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

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Commissioners

February 09, 2016

The Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVE AN ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN SUNSHINE
TERRACE, L.P., SUNSHINE TERRACE REPURCHASE, LLC AND THE COMMISSION FOR THE
TRANSFER OF OWNERSHIP OF 50 VERY LOW-INCOME HOUSING UNITS FOR FAMILIES IN
UNINCORPORATED SOUTH WHITTIER
(DISTRICT 1) (3 VOTE)**

SUBJECT

This letter recommends the approval of an Assignment and Assumption Agreement and all related documents between Sunshine Terrace, L.P., and Sunshine Terrace Repurchase, LLC, for the transfer of ownership of the Sunshine Terrace Apartments, located at 10750, 10800 and 10828 Laurel Avenue in unincorporated South Whittier (Project).

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and authorize the Executive Director, or his designee, to negotiate, execute, and if necessary, amend or terminate an Assignment and Assumption Agreement, and all related documents required to transfer ownership of the Sunshine Terrace Apartments from Sunshine Terrace, L.P., to Sunshine Terrace Repurchase, LLC, following approval as to form by County Counsel.
2. Find that the Assignment and Assumption Agreement and related documents are not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities will not have the potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On April 15, 1997, the Commission entered into a Disposition and Development Agreement (Agreement) with Sunshine Terrace, L.P., for the development and operation of the Project. The purpose of this action is to obtain approval of an Assignment and Assumption Agreement and all related documents to transfer ownership from Sunshine Terrace, L.P., to Sunshine Terrace Repurchase, LLC. The Agreement with the Commission will remain unchanged.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Sunshine Terrace L.P. is the current owner of the Project. The Commission has two outstanding loans secured by deeds of trust made to Sunshine Terrace, L.P., in connection with its development of the Project. Sunshine Terrace, L.P. developed the Project with 50 units designated to low and very low income families with annual incomes that do not exceed 60% of the area median household income.

Two Promissory Notes were executed on April 15, 1997, by the Commission and Sunshine Terrace, L.P., with original principal amounts of \$1,661,310 and \$1,795,000. The Commission recorded affordable housing covenants, conditions and restrictions on the Project property in connection with making the loans.

The proposed Assignment and Assumption Agreement provides for the assignment of the Loan obligations from Sunshine Terrace, L.P. to Sunshine Terrace Repurchase, LLC. Following the Board's approval, the Assignment and Assumption Agreement will be recorded concurrently with the closing of the Purchase Option. The transfer will result in the withdrawal of the limited partner, Edison Capital Housing, L.P., as their 15 year tax compliance period has been reached, and the Project will restructure to an LLC. Abode Communities, a California nonprofit corporation, is currently the General Partner for Sunshine Terrace L.P., and will remain as a General Partner for Sunshine Terrace Repurchase, LLC.

ENVIRONMENTAL DOCUMENTATION

This action is exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. These activities are not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The Assignment and Assumption Agreement and related documents will allow Sunshine Terrace Repurchase, LLC to own 100 percent interest in the project. There will be no impact on the project's operation, feasibility or affordability.

The Honorable Board of Commissioners

2/9/2016

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN

Executive Director

SR:CC:nq